

Lobby Brief: Localization, COVID GHRP, and UN Country Based Pooled Funds

The following brief is developed to inform the ongoing discussions around use of CBPFs in the COVID-19 GHRP with OCHA and donors, and inform the broader global UN Country-Based Pooled Fund (CBPF) guidelines revision process.

Recommendation for CBPF to progress, quickly, in response to COVID-19

- **Flexibility within current and future grants, while maintaining accountability to communities:** In line with broader calls for flexibility to donors: 30% flexibility across budget lines; 100% flexibility on final outputs; and appropriate cost extensions – recognizing, and in fact, supporting – flexibility that is balanced with accountability to *crisis-affected communities* and their needs.
 - **Require intermediaries to cascade this same flexibility** to all sub-granted partners
- **Preference for consortiums and twinning approaches which will engage smaller local and national NGOs (LNNGOs) and women’s rights organizations (WROs)** in design and delivery of response work. CBPF Fund Management, as with other donors, face a practical challenge regarding the number of partners that can be managed effectively and appropriately. By preferencing consortium and twinning approaches that engage smaller LNNGOs and WROs in new CBPF allocations, funds will ensure greater inclusivity and complementarity in responses.
- **Provide greater direct funding for new COVID-19 CBPF funding:** Opening up calls for new partners, with simplified and fast-tracked partner assessment processes, wherever possible. Grants should be allocated directly to LNNGOs, rather than via intermediaries, building from earlier experiences of the South Sudan Humanitarian Fund.
- **Strengthen transparency and inclusivity in CBPF governance:**
 - Set an equal number of seats on CBPF Advisory Boards for UN, INGO, LNNGO representatives and ensure their participation in strategic decision making.
 - Ensure regular turnover and varied, non-applicant representation in review/selection committees, to prevent perceptions of biased decision-making.
 - Accelerate progress on translation of key materials
- **Extend the average CBPF project duration to 12 months**, and to influence donors for multi-year HRPs and funding commitments, recognizing the inherent need for multi-year planning in CBPF countries.
- **Incorporate good practice into CBPF guidance** to promote a more consistent approach.

Background

The UN Global Humanitarian Response Plan (GHRP) for COVID-19 requests USD 2 billion and indicates, “most of the funding to UN agencies will be implemented through NGO partnerships. Whenever they are best placed to respond, this funding should be allocated as directly as possible to local and national actors.” To ensure a timely response, for at least the first months, funding collected under the GHRP will be channeled to UN agencies and NGOs using existing mechanisms to channel funding for response work. **Where CBPFs exist, they should be relied upon as a key mechanism for the response**, as was already seen in the Sudan, Afghanistan, OPT and Jordan Humanitarian Fund allocations to WHO and UNICEF.



While representing a relatively small percentage of all humanitarian assistance, **CBPFs are increasing in prominence and funding year-by-year**. The amount of funding available through country-based pooled funds (CBPFs) managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA) doubled between 2014 and 2018 to \$950 million.ⁱ

Existing in, currently, 18 countries,ⁱⁱ CBPFs each have different policies and guidance in place, some offering greater volumes and proportion of funding to local response than others. To be eligible for CBPF funding, local and national NGOs (LNNGOs) and women's rights organizations (WROs) must complete stringent capacity assessments which result in an assigned 'risk rating.' Funding is related to a partner's risk rating; funding caps are in place for those who are assessed to be of higher risk. UN agencies and INGOs generally have fewer caps and receive the highest volumes of CBPF funding (also linked to funding absorption capacity). LNNGOs largely rely on the biggest agencies (UN, INGOs, some larger national NGOs) to access funding.

In the COVID-19 response context, for at least the first three months, there may be an increase in *existing* CBPF funding going indirectly to LNNGOs as a result of more limited UN and INGO travel or access. For *new* COVID-19 funding channelled to CBPFs, it is not yet clear if OCHA will be able to undertake *new* LNNGO capacity assessments. Indeed, OCHA has indicated that it will depend on those LNNGOs with established CBPF relationships, to deliver COVID-19 funded CBPF response programs.

Why are pooled funds an important funding mechanism for local and national humanitarian NGOs and WROs – and as such, localization efforts in the COVID response?

Outside of direct donor-to-grantee funding dynamics, **CBPFs are one of only a handful of instruments available that offers local actors' access to high volumes of direct funding**. The volume of CBPF funding to LNNGOs and their share of total allocations increased from \$62.1 million (13% of the total) in 2014 to \$253 million (26%) in 2019.ⁱⁱⁱ

CBPFs also operate in high-risk environments with severe access restrictions due to insecurity. Given the specific vulnerability of communities in these 18 high-risk countries to the impact of the coronavirus, alongside their limited ability to access necessary assistance, it is clear CBPF's will be an essential funding mechanism for response work.

Additionally, the OCHA Global Evaluation^{iv} found that CBPFs have been successful in **offering donors a means of meeting their Grand Bargain commitments** to reducing earmarking and to increase their funding to LNNGOs.

CBPF localization efforts to build from

While practice varies considerably between funds, efforts over the past six years illustrate how LNNGOs have accessed greater CBPF funding. For example^v:

1. **Afghanistan Humanitarian Fund (AHF)**: the "Twinning Program," funded by DFID and led by Agency Coordinating Body for Afghan Relief and Development (ACBAR) with support from AHF, has led to an increase in LNNGO's passing capacity assessments and accessing greater AHF funding.
2. **Iraq Humanitarian Fund (IHF)**: While IHF continues to share, proportionally, more limited funding to LNNGOs as compared to other CBPFs, IHF Fund Managers did pilot allocations which were ring-fenced for new national NGO partners. This effort was not considered wholly successful, but the attempt should be noted.
3. **Nigeria Humanitarian Fund (NHF)**: Instituted capacity-building initiatives such as walk-in clinics
4. **The occupied Palestinian territory Humanitarian Fund (oPtHF)**: Willingness to support LNNGOs, and examples of allocations to consortium which were led by LNNGOs.

5. **South Sudan Humanitarian Fund (SSHF):** Restricted sub-granting which resulted in an increase of funding accessed by LNNGOs; increased access to funding for these actors was seen as a result of their presence in remote and hard to reach areas.
6. **Syria Humanitarian Fund (SHF):** An ICVA review (2014) found that the then-Emergency Relief Fund played an indirect role in enhancing local participation. It also highlights appreciation for training and capacity building initiatives.

In the OCHA Global Evaluation, feedback from donors and LNNGOs in several countries revealed that CBPF capacity assessments were being used as a benchmark, or a prerequisite for other donors to consider entering into funding agreements with NNGO partners.

LLNGO and WRO challenges in CBPF funding which offer lessons for GHRP COVID-19

Despite efforts, challenges remain. Various research studies and feedback from local and national NGOs in the past few years have highlighted the following^{vi}:

- **Inflexibility of funding:** One quarter of CBPF funding *is* available for flexible use, however, budget revision rules are too rigid. In addition, while CBPF's provide overheads to local NGOs at the same rate offered to INGOs, the 7% rate is below the realistic norm of 10-15% (more for small LNNGO), and therefore other donors must provide additional funds to make up the shortfall. In practice, inflexible proposal development processes and limited program support costs disadvantage LNNGO applicants, who are unable to subsidize staff or other resources through other sources of funding.
- **Limited access for smaller LNNGOs and WROs, or those operating in a single sector:** More recent policy shifts in the South Sudan Humanitarian Fund to preference multi-sectoral proposals disadvantage LNNGOs and WROs that focus on one sector. Beyond the SSHF, the limited access of smaller LNNGOs in clusters and other coordination spaces, alongside "large average funding allocation sizes and the 'rationalizing' of partnerships to decrease administrative burdens"^{vii} were reported also reported as barriers.
- **Lack of transparency in decision-making:** funding allocations are not always perceived to be fair and transparent. The recommendations to OCHA were to establish a central repository for CBPF data, only allowing non-applicants to be part of selection committee, and foster global-to-local coordination and dialogue. Advisory Boards also play a part in strategic decisions and while all CBPF Advisory Boards have some national representation, membership dynamics can limit the effectiveness of LNNGO participation. Greater balance in Advisory Board composition was recommended.
 - **Availability of materials only in English:** ICVA's 2015 review of NGO challenges to accessing CBPFs^{viii} indicated that, at that time, "CBPF guidelines and contracts are usually only produced in English, although in the CAR and DRC they were in French. They are not translated into other major the working languages, including Arabic for the Syria response." In 2015, OCHA committed to translating guidelines into French and Arabic, and making key material and templates available in these languages, but this has not yet happened systematically.
- **Multi-year planning and funding has not been systematically included in CBPF management.** Only three CBPFs currently provide such commitments, and the average project duration remains below 12 months. Given CBPFs operate in protracted-crisis context (where multi-year planning can and should be practiced) this gap raises concerns about the sustainability of results – particularly for LNNGOs, where limited funding available to cover staff or overhead costs between funding cycles/allocations can lead to interrupted programs.

Measures to progress, quickly, in response to COVID-19

- **Flexibility within current and future grants, while maintaining accountability to communities:** In line with broader calls for flexibility to donors: 30% flexibility across budget lines; 100% flexibility on final outputs; and

appropriate cost extensions – recognizing, and in fact, supporting – flexibility that is balanced with accountability to *communities* and their needs.

- **Require intermediaries to cascade this same flexibility** to all sub-granted partners
- **Preference for consortiums and twinning approaches which will engage smaller LNNGOs and WROs** in design and delivery of response work. CBPF Fund Management, as with other donors, face a practical challenge regarding the number of partners that can be managed effectively and appropriately. By preferencing consortium and twinning approaches that engage smaller LNNGOs in new CBPF allocations, funds will ensure greater inclusivity and complementarity in responses.
- **Provide greater direct funding for new COVID-19 CBPR funding:** Opening up calls for new partners, with simplified and fast-tracked partner assessment processes, wherever possible. Grants should be allocated directly to LNNGOs, rather than via intermediaries, building from earlier experiences of the South Sudan Humanitarian Fund.
- **Strengthen transparency and inclusivity in CBPF governance:**
 - Set an equal number of seats on CBPF Advisory Boards for UN, INGO, LNNGO representatives and ensure their participation in strategic decision making.
 - Ensure regular turnover and varied, non-applicant representation in review/selection committees, to prevent perceptions of biased decision-making.
 - Accelerate progress on translation of key materials
- **Extend the average CBPF project duration to 12 months**, and to influence donors for multi-year HRP and funding commitments, recognizing the inherent need for multi-year planning in CBPF countries.
- **Incorporate good practice into CBPF guidance** to promote a more consistent approach.

Other issues to consider now, in order to make wider impact in the next 6 months

- Building on the Central Emergency Response Fund (CERF) and past CBPF experiences in anticipatory financing, **there is a strong rationale for CBPF funding to be used in the GHRP COVID-19 response for preparedness and early action**, alongside or complementary to development funding. This pandemic offers an opportunity to strengthen a “nexus” approach which, if seriously implemented, would allow a response that is better equipped to address underlying causes of conflict and inequality, and mitigate the impacts that a humanitarian-only response would have on long term development – built off of those best placed to respond.
- CBPFs only exist in 18 countries, whereas CERF is a mechanism that can distribute funds globally. Given the specific circumstances, we believe **OCHA should open CERF up to directly funding NGOs** in countries that are hosting large refugee communities and which have stretched health care systems, for example in Uganda or Bangladesh and/or **explore options such as “pop-up” CBPFs** where donors can provide funds to countries that can be directly allocated to best-placed responders, instead of via CERF.
- **Specific consultations with LNNGOs and WROs are needed to ensure the GHRP COVID-19 revision process is inclusive.** Current guidelines for GHRP COVID-19 revision depends on HCTs and clusters, which disadvantages LNNGOs and WROs at the outset given their limited engagement and participation in these spaces. Further compounding a barrier which has already been reported to impact on CBPF selections: *“active participation in a cluster (e. g. as co-lead or regional lead, or through participation in an SAG or a working group) was highlighted as the single most important pre-requisite for the success of CBPF applications.”*^x
- While CBPF capacity assessment process has been seen as a good benchmark for the sector, the COVID-19 response presents a new opportunity for **CBPF capacity assessments to include the additional and unique value of working with LNNGOs and WROs, rather than in simple comparison and on the same scale as INGO partners.**

Notes

ⁱ NRC and OCHA commissioned research on pooled funds, written by Christian Els, Nov 2019. *Country-Based Pooled Funds: The NGO Perspective*. Available at: <https://www.nrc.no/resources/reports/country-based-pooled-funds-the-ngo-perspective/>

ⁱⁱ 18 CBPF countries: Ukraine, Syria Cross Border, Syria, Lebanon, the occupied Palestinian territories (oPt), Jordan, Iraq, Yemen, Afghanistan, Pakistan, Myanmar, Ethiopia, Somalia, South Sudan, Sudan, Central African Republic (CAR), the Democratic Republic of Congo (DRC), and Nigeria.

ⁱⁱⁱ Funding allocations to LNGOs 2014 and 2019 from OCHA FTS data, <https://pfb.unocha.org/>

^{iv} OCHA and six CBPF donors commissioned evaluation of pooled funds, conducted by KonTerra, Nov 2019. *OCHA Global Evaluation of Country-Based Pooled Funds, Synthesis Report*. Available at: <https://www.unocha.org/sites/unocha/files/2019%20OCHA%20Evaluation%20of%20CBPFs%20-%20Synthesis%20Report.pdf>

^v These examples are drawn from the Synthesis Report of OCHA's Global Evaluation of CBPFs, as well as other sources, including NRC/OCHA study, *Country-Based Pooled Funds: The NGO Perspective*. Available at: <https://www.nrc.no/resources/reports/country-based-pooled-funds-the-ngo-perspective/>

^{vi} These examples are drawn from the afore mentioned OCHA and NRC study, as well as research commissioned by a consortium of German NGOs, written by Dominik Koepl, March 2019. *Country-Based Pooled Funds – A Reality Check*. Available at: https://www.caritas-international.de/cms/contents/caritas-internationa/medien/dokumente/sonstiges/country-based-pooled/cbpf_report.pdf?d=a&f=pdf

^{vii} *Country-Based Pooled Funds – A Reality Check*, p 36

^{viii} ICVA. (June 2015). *NGO Challenges to Accessing Country-Based Pooled Funds Summary of Findings*. Available at: https://www.icvanetwork.org/system/files/versions/1.2%20Challenges%20to%20Access%20CBPFs_FCS%20FINAL%20DRAFT%2012Jun2015.pdf

^{ix} Koepl, Dominik. March 2019. *Country-Based Pooled Funds – A Reality Check*. Available at: https://www.caritas-international.de/cms/contents/caritas-internationa/medien/dokumente/sonstiges/country-based-pooled/cbpf_report.pdf?d=a&f=pdf